

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

STATION CASINOS, INC.

(Registration) _____

ORDER OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") on April 26, 1993, at Carson City, Nevada, and specially for hearing before the Nevada Gaming Commission ("Commission") on May 21, 1993, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Station Casinos, Inc., formerly known as Palace Station, Inc., for registration as a publicly traded corporation; for a finding of suitability as the sole shareholder of Palace Station Hotel & Casino, Inc.; for a finding of suitability as the sole shareholder of Southwest Gaming Services, Inc.; for final approval to participate in foreign gaming (video poker in Louisiana); for preliminary approval to participate in foreign gaming (riverboat gaming in Missouri); and for approval of public offerings.

b. The application of Palace Station Hotel & Casino, Inc., dba Palace Station Hotel & Casino for a nonrestricted gaming license, including a race book and sports pool; and

c. The application of Southwest Gaming Services, Inc., dba Southwest Gaming Services for registration as an intermediary company; and for a finding of suitability as sole shareholder of Tropicana Caboose, Inc. and Nellis Caboose, Inc.

2. THAT Station Casinos, Inc. is registered as a publicly traded corporation and is found suitable as the sole shareholder of Palace Station Hotel & Casino, Inc. and Southwest Gaming Services, Inc.

3. THAT Palace Station Hotel & Casino, Inc., dba Palace Station Hotel & Casino, is licensed to conduct nonrestricted gaming operations, including a race book and sports pool, at 2411 West Sahara, Las Vegas.

4. THAT Southwest Gaming Services, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Tropicana Caboose, Inc., and Nellis Caboose, Inc., and is licensed as a distributor and an operator of a slot machine route.

5. THAT Tropicana Caboose, Inc., dba The Loose Caboose, is licensed to conduct restricted gaming operations at 3175 East Tropicana, Las Vegas.

6. THAT Nellis Caboose, Inc., dba Loose Caboose Saloon, is licensed to conduct nonrestricted gaming operations (slot machines only) at 15 North Nellis Boulevard, Las Vegas.

7. THAT Station Casinos, Inc. is granted approval pursuant to NGC Regulation 16.110 to make a public offering of up to 6,500,000 shares of its common stock as described in the Securities and Exchange Commission ("SEC") Form S-1 Registration Statement (SEC Registration No. 33-59300).

8. THAT Station Casinos, Inc. is granted approval pursuant to NGC Regulation 16.110 to make a public offering of Senior Subordinated Notes due 2003 as described in the SEC Form S-1 Registration Statement No. 33-59302.

9. THAT the approvals set forth in paragraphs 7 and 8 above are specifically conditioned as follows:

a. That Station Casinos, Inc. shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offerings and as to any other event that would have a material effect on Station Casinos, Inc. or its subsidiaries which could be subject to reporting on SEC Form 8-K; and

b. That the approvals granted herein may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

10. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 9(b) above.

11. THAT Station Casinos, Inc. is granted ninety (90) days from the date of this order to have the Registration Statements described in paragraphs 7 and 8 above (the "Registration Statements") declared effective by the SEC. If the Registration Statements are not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the Board or his designee, then this Order of Registration and all of the approvals terms and provisions herein shall be deemed withdrawn and rendered null and void.

12. THAT this Order of Registration shall not be effective until and unless the Registration Statements are declared effective by the SEC and the public offerings described therein and in paragraphs 7 and 8 above are sold to the underwriters.

13. THAT Station Casinos, Inc. is granted approval to participate in foreign gaming through video poker gaming operations in the State of Louisiana, by and through Southwest Gaming Services of Louisiana ("Southwest Louisiana") while continuing to participate in gaming operations in the State of Nevada through their affiliated companies, Palace Station Hotel &

Casino, Inc., and Southwest Gaming Services, Inc. provided that, said approval is limited to expire at midnight of the regular June 1994 meeting of the Commission.

14. THAT the approval granted in paragraph 13 above is specifically conditioned as follows:

a. That Southwest Gaming Services, Inc. shall timely receive all licenses and approvals from the Louisiana State Police, Gaming Enforcement Section, Video Gaming Division ("LSP"), necessary to participate in video poker gaming operations by and through Southwest Louisiana in the State of Louisiana, and shall provide the Board with a written detailed description of the final financial arrangements concerning Southwest Louisiana's commencement of video poker gaming operations in the State of Louisiana.

b. That Station Casinos, Inc. shall simultaneously provide the Board with a copy of all audited financial statements and all other financial statements and reports for Southwest Louisiana which are required to be submitted to the LSP.

c. That the following information shall be reported in writing to the Board by Station Casinos, Inc. within 30 days after the end of each quarter regarding the occurrence or absence of the following:

(1) Any changes in Southwest Louisiana's officers, directors or key personnel directly or indirectly engaged in the active administration or supervision of the video poker gaming operations in the State of Louisiana who earn \$30,000 or more annually.

(2) All gaming related complaints, disputes, orders to show cause and disciplinary actions instituted or presided over by, or involving as a party thereto, any state, the United States, or any foreign or other governmental jurisdiction, which concerns Station Casinos, Inc. or Southwest Louisiana, and any officer, director, owner, agent or employee thereof.

(3) All arrests within the knowledge of Station Casinos, Inc. made of its or Southwest Louisiana's officers, directors, owners, agents or employees and its patrons

involving gaming misconduct in the State of Louisiana. The report shall include the name, position, charge, arresting agency and a brief description of the event.

(4) Any additional financial commitments, infusion of capital or guarantees, including the details thereof and the source of funds, made by Station Casinos, Inc. in connection with the foreign gaming operations of Southwest Louisiana.

(5) Any new or amended statutes, rules or regulations concerning video poker gaming operations in the State of Louisiana, within the knowledge of Station Casinos, Inc., together with a copy thereof.

d. That Station Casinos, Inc. shall immediately report in writing to the Board any change in the organizational structure, ownership or control of Southwest Louisiana upon receipt of knowledge of the same.

e. That the approval granted relates solely to the approval which was voluntarily sought and received and does not involve any exercise of Nevada regulatory jurisdiction over the entities pertaining to any foreign gaming operations and activities. Station Casinos, Inc. shall ensure that neither it nor Southwest Louisiana shall, directly or indirectly, make any representations that any foreign gaming operations are within the regulatory control of the State of Nevada or any agency thereof.

f. That Station Casinos, Inc. shall submit to the Board a copy of the prescribed system of accounting and internal controls, and any changes thereto, approved by the LSP concerning the foreign gaming operations of Southwest Louisiana in the State of Louisiana.

g. That Station Casinos, Inc. shall maintain at an office in Nevada designated to the Board, those detailed financial records maintained in the ordinary course of accounting for its investments in Southwest Louisiana. In addition, Station Casinos, Inc. shall also maintain at such designated office in Nevada records of ownership pertaining to its

investments in Southwest Louisiana. Specifically, copies of the following documents or their equivalent related to Southwest Louisiana shall be maintained:

- (1) Articles of incorporation, joint venture agreement and any amendments;
- (2) Bylaws and any amendments;
- (3) A list of current and former officers and directors, and any changes thereto;
- (4) Any minutes of meetings of stockholders and directors;
- (5) A listing of each stockholder's name, address, available personal identification information, number of shares held and the date such shares were acquired;
- (6) A record of all transfers of stock; and
- (7) A record of all amounts paid to Southwest Louisiana for issuance of any stock, loans and other capital contributions.

Such records of accounting and ownership must be retained by Southwest Gaming Services, Inc. within the State of Nevada for at least five (5) years after they are made and must be made available for inspection to agents of the Board immediately upon request.

h. That Station Casinos, Inc. must confer with the Chairman of the Board or his designee immediately and not later than the first business day after its receipt of any written notice of a proposed transfer of shares of stock of River Cities Gaming Corporation ("RCGC").

i. That Station Casinos, Inc. shall not be involved in video draw poker gaming operations at any facility at which pari-mutuel wagering is conducted in Louisiana other than Louisiana Downs, while Bobbie Rose Whorton is a shareholder of RCGC and a member of the Louisiana State Racing Commission.

j. That Station Casinos, Inc. shall comply with any additional reporting requirements which may be subsequently administratively required by the Board.

15. THAT Station Casinos, Inc. is granted preliminary approval to participate in foreign gaming through their involvement in riverboat gaming in Missouri, pursuant to NRS 463.680, et seq., and NGC Regulation 4.710, while continuing their gaming operations in the State of Nevada through their affiliated companies, Palace Station Hotel & Casino, Inc., and Southwest Gaming Services, Inc.

16. THAT the approval granted in paragraph 15 above relates solely to the approval which was voluntarily sought and received and does not involve any exercise of Nevada regulatory jurisdiction over the entities pertaining to any foreign gaming operations and activities. Station Casinos, Inc. shall ensure that no representations shall be made, directly or indirectly, by them or any of their affiliate(s) or associates, that such foreign gaming operations are within the regulatory control of the State of Nevada or any agency thereof.

17. THAT Station Casinos, Inc. shall fund and maintain with the Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities, including public offerings and foreign gaming activities, of Station Casinos, Inc., Palace Station Hotel & Casino, Inc., Southwest Gaming Services, Inc., Southwest Louisiana, and their affiliated entities.

18. THAT pursuant to NRS 463.625(2), Station Casinos, Inc. is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

19. THAT Station Casinos, Inc. is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

20. THAT the COMMISSION hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, on this 21st day of May 1993.